

2006-07 Daily Price Contract Lock-in Application

Please Fax to: (204) 983-8031

This document forms part of the *2006-07 CWB Daily Price Contract for Wheat: Terms and Conditions*.

The pricing period is from August 1, 2006 to July 31, 2007.

Separate pricing schedules for both the reference grade and cash spreads are posted daily.

Please complete all information in this area.

| | | |
|---|--------------------------------------|--------------------------------|
| Producer's Name ("the <i>Producer</i> ") as shown on the Delivery Permit _____ | | |
| Producer's Identification No. _____ | Producer's Telephone No. () | Producer's Fax No. () |
| Alternative Telephone No. (daytime/cell) () | | |

LOCK-IN Complete all information in the box below.

I have a Daily Price Contract (DPC).
 I wish to lock in the reference grade for my DPC.

| | |
|-------------------------------------|---|
| Contract Number _____ | Net Tonnes (Wheat) _____ .000 Minimum of 20 tonnes |
|-------------------------------------|---|

If less than 20 tonnes are unpriced, the entire amount must be locked in.

Cash spreads are locked in at the time of initial payment settlement for the grade(s) applied against your DPC.

READ THE FOLLOWING PARAGRAPH CAREFULLY.

I (the *Producer*) have read the *2006-07 CWB Daily Price Contract for Wheat: Terms and Conditions*.
 By completing this document and sending it to the *CWB*, I am selecting the option indicated.
 I agree that all of the said Terms and Conditions will apply to the option I have selected.

 Producer's Signature

 Position in Company (If Applicable)

 Date

FAX (204) 983-8031
 Phone 1-800-275-4292
 (7 a.m. to 6 p.m. Mon. - Fri.
 Central Time)

Important: Please keep the original for your records.



Daily Price Contract information for wheat

Pricing Period

The pricing period runs from August 1, 2006 to July 31, 2007, with the CWB offering a daily cash price by reference grade for the seven classes of wheat.

Tonnes committed to the DPC program must be completely priced by July 31, 2007. Any unpriced tonnage will be automatically priced by the CWB on this date.

The tonnage committed to your DPC can be priced in partial tonnage increments. A minimum of 20 tonnes must be priced at any one time.

Pricing schedules

There are two pricing schedules posted during the pricing period of August 1, 2006 to July 31, 2007.

DPC reference grade price

Lists the reference grade DPC values in store Vancouver or St. Lawrence for each of the seven classes of wheat. Prices are effective from 2:30 p.m. CT until 7:30 a.m. CT the following business day.

Wheat classes, reference grades and futures contracts offered for the 2006-07 crop year are:

| Wheat Class | Reference Grade | Futures Contract |
|-------------|------------------|-----------------------------|
| CWRS | No. 1 CWRS 13.5 | Minneapolis Hard Red Spring |
| CWHWS | No. 1 CWHWS 13.5 | Minneapolis Hard Red Spring |
| CWES | No. 1 CWES | Minneapolis Hard Red Spring |
| CPSR | No. 1 CPSR | Kansas Hard Red Winter |
| CPSW | No. 1 CPSW | Kansas Hard Red Winter |
| CWRW | No. 1 CWRW | Kansas Hard Red Winter |
| CWSWS | No. 1 CWSWS | Chicago Soft Red Winter |

DPC cash spreads

Lists the cash spreads for all deliverable wheat grades. This schedule will be released at 7:00 a.m. CT each day and will be in effect for settlements made on the date of release.

DPC Example

On July 15, 2006 a DPC is signed for 100 tonnes of CWRS. After harvesting, the producer determines that most of the wheat is No. 1 CWRS 14.5, with some of the crop grading No. 3 CWRS.

On September 30, 2006, the producer prices 50 tonnes of the DPC at \$206.16 per tonne (reference grade). The same day, the producer delivers 25 tonnes of No. 1 CWRS 14.5 and 25 tonnes of No. 3 CWRS, and receives settlement on these deliveries. Total payments for these deliveries are as follows:

| | No. 1 CWRS 14.5 | No. 3 CWRS |
|--|-----------------|-----------------|
| DPC contract value (based on No. 1 CWRS 13.5 reference grade) | \$206.16 | \$206.16 |
| DPC spread (reflects daily cash prices for grade delivered) | <u>\$29.55</u> | <u>-\$47.57</u> |
| Total payments | \$235.71 | \$158.59 |

Transfer or buyout

If you cannot fulfil your DPC, the following options are available to you:

1. You can transfer your DPC by calling the CWB at 1-800-275-4292. A \$15 transaction fee will be charged to the original contract holder.
2. Starting August 1, 2006, tonnage reductions to your DPC will be subject to the buyout price plus the administration fee of \$15 per transaction. The formula by which the buyout price is calculated is equal to the greater of the current Fixed Price Contract price less the contract DPC price (if negative equal to zero) or the current futures less the contracted futures (if negative equal to zero).